



June 21, 2013

UBCM Submission on Canada's Marine Oil Spill Preparedness and Response Regime

Executive Summary:

The Union of BC Municipalities represents 100% of local governments in British Columbia and has advocated for policy and programs that support local government needs since 1905. Our members have a strong interest in the changes to the federal oil spill preparedness and response regime given the proposed pipeline and liquid natural gas projects in our province. BC local governments have indicated that environmental protection is a top priority, and have supported several resolutions with respect to a polluter pay principle, environmental issues and restoration, working with local governments, and the need to increase federal agency staffing and training.

Submission:

Thank you for the opportunity to comment on Canada's Marine Oil Spill Preparedness and Response Regime. We have reviewed the consultation guidance document and the comments provided below are reflective of the policy of our membership on oil spill preparedness, response, liability, compensation and governance.

A review of the federal regime is a timely endeavor as BC local governments are very concerned with the increase in ocean traffic along the West Coast of BC and particularly from ships carrying dangerous and/or toxic products; and do not believe that the current environmental measures are adequate to clean up damages caused by these types of large scale spills or disasters.

Our Organization

The Union of British Columbia Municipalities (UBCM) represents 100% of local governments in British Columbia and has advocated for policy and programs that support local government needs since 1905. Our Board is comprised of 21 elected officials from all regions of the province and who represent communities of all sizes- from the rural areas to the urban centers. We have a number of issue specific committees including Environment and Community Economic Development Committees, both of which have an interest in the federal marine oil spill preparedness and response regime.

UBCM Offshore Oil and Gas Working Group

Specifically, our Community Economic Development Committee has worked intensively with the provincial government to explore offshore oil and gas issues. In 2005, UBCM and the Province, through the then Ministry of Energy, Mines and

Petroleum Resources, entered into a Memorandum of Understanding (MoU) on Consultation in Respect of Offshore Oil and Gas Development. Under this MoU, the UBCM Working Group on Offshore Oil and Gas was established. This working group met regularly between 2006 and 2009, and members on the group were 13 locally elected officials from coastal communities that would be most directly impacted if there were a decision to move forward with offshore oil and gas development in BC.

In 2009, the working group submitted its report and recommendations as a result of its review of offshore oil and gas issues and forwarded the attached document, *Report from the UBCM Working Group on Offshore Oil and Gas to the Ministry of Energy, Mines and Petroleum Resources* to the provincial government. This paper looked at environmental concerns, ocean planning, the regulatory context and regional benefits. A key area of consensus was that a stringent environmental and fiscal regulatory system was necessary, and must be implemented, prior to offshore oil and gas development. The report also contained a number of recommendations regarding oil spills, including:

- *Work with coastal communities and First Nations to identify sensitive sites that need to be protected in the event of an accident.*
- *Adopt a zero discharge policy - of drilling muds and platform wastes - and a no gas flaring policy, except for safety purposes.*
- *Establish a substantial remediation fund from industry to be used in the event of an oil spill. (In light of the high costs for clean up of oil spills, the fund will have to be very robust.)*
- *Invest in the necessary infrastructure to minimize risk of an oil spill and damage to surrounding areas in the event of an oil spill by:*
 - *Establishing deep sea salvage tugs along the central and north coast to assist vessels in distress.*
 - *Implementing a vessel tracking system for the British Columbia coast.*
- *Develop tight regulations which would delineate exact responsibilities in the event of an oil spill to ensure timely clean-up. This would include:*
 - *Development of an Incident Command System (ICS) and an oil spill organization that would be a repository for all equipment and contact information in the case of an oil spill.*
 - *Enhancement of current marine spill response capability on the British Columbia coast, such as Burrard Clean Operations, or creation of a separate organization to deal strictly with offshore oil and gas, similar to Cook Inlet Spill Prevention and Response Inc. (CISPRI) in Alaska.*
 - *Adopt a cautious approach and use adaptive management techniques when regulating the offshore oil and gas industry in British Columbia.*
- *Create legislation surrounding the decommissioning of offshore oil and gas platforms post-production to ensure that industry remains responsible for platforms right through to the decommissioning stage.*

The Working Group's issues, concerns and recommendations are consistent with the views of our broader membership on environmental protection, oil spill preparedness and response. The full report, with additional recommendations, is attached for your information.

Recent Policy

In recent years, there has been much interest and discussion from BC communities, industry and the provincial government on pipeline and liquid natural gas development in BC. As a result, our members have passed a number of recent resolutions on oil spills, tanker traffic, and environmental concerns.

Polluter Pay Principle

BC local governments support the polluter pay principle, which makes polluters responsible for paying for damages caused by a spill.

Our membership endorsed resolution 2012-B122, which supports this principle. Specifically, this resolution asked that federal legislation be created to require:

- that liability for cargo on a ship be the responsibility of both the carrier and the one who sold the cargo until such time as the cargo reaches its final destination, and/or is outside of Canadian waters;
- that shippers of dangerous goods and cargo, as well as the manufacturers, to pay into an emergency fund designed to clean up.

The resolution also requests that a polluter pay fund or emergency fund be substantial, and that it be used to clean up, and compensate for any and all damages, including capital devaluation, social, cultural, and ecological damage, caused by an accident involving said goods and cargo; fund research into improving clean-up methods to deal with the eventuality of such spills; and fund a sustained increase in provincial spill prevention, preparedness, mitigation and response resources.

Environmental Concerns and Restoration

As discussed earlier, BC local governments have advised that the protection of the environment is their top priority.

In addition to the environmental concerns outlined in the Offshore Oil and Gas Working Group paper, our members have asked that legislation be established to require that wildlife rescue and ecosystem recovery be part of standard oil spill response activities either on land or in water; and that the legislation require payment of those costs attributable to wildlife rescue and ecosystem recovery caused by spill events to be borne by the Responsible Party; and that a Liability Trust Fund be created to provide funding for spill event remediation when the Responsible Party cannot be identified or held accountable (Resolution 2008-B32).

We also have numerous resolutions supporting the protection of coastal marine areas and species at risk; as well as those that encourage the establishment of new marine conservation areas in the BC.

Increased Staff, Training and Support

There is also a need in the regime for increased staff at the federal level, as well as

additional training and support for local governments.

Recognizing that the Canadian Coast Guard (Fisheries and Oceans Canada) is the lead federal agency under the Canada Shipping Act responsible for responding to major spills in marine waters involving vessels, our members have asked for a suitably equipped and staffed Coast Guard service as well as an expansion of funding for the Coast Guard Auxiliary (Resolution 2012- B122).

Local governments also ask that they be compensated for any local resources utilized during the response and restoration period of an environmental emergency (2006 – LR2).

Working with Local Governments

Lastly, the Offshore Oil and Gas Working Group paper outlined our members' requests for working with local government in BC. This includes, that:

- *the federal government work closely and collaboratively with coastal communities and First Nations to identify sensitive sites that need to be protected in the event of an accident*
- *the federal government engage in a process to inform local citizens of the potential risks and benefits of any offshore oil and gas development*

Our membership has endorsed additional resolutions on this issue including resolution 2011- LR6 which asked that for any applications to expand the amount of oil transported by pipeline or tanker in British Columbia undergo meaningful public consultation, including direct engagement with affected municipalities, regional authorities and British Columbia First Nations.

BC local governments also want the provincial and federal governments to commit to increased engagement and collaboration in integrated Oceans Management Planning Processes for the Pacific Coast of Canada (2008- B147).

Thank you for the opportunity to comment on the federal marine oil spill preparedness and response regime. As indicated earlier, we have attached a copy of the *Report from the UBCM Working Group on Offshore Oil and Gas to the Ministry of Energy, Mines and Petroleum Resources* which outlines member concerns, issues and recommendations around environmental concerns, ocean planning, the regulatory context and regional benefits. As well, resolutions that are referenced in this response can be found in our resolutions database: <http://www.ubcm.ca/resolutions/default.aspx>.

Should you have any questions or require follow up with UBCM, please feel free to contact us at ubcm@ubcm.ca or at (604) 270- 8226.

Attachment: *Report from the UBCM Working Group on Offshore Oil and Gas to the Ministry of Energy, Mines and Petroleum Resources*